

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21076 TA

LONE STAR COACHES, INC.—CONTROL—TRI-CITY CHARTER OF BOSSIER, INC.

Digest:<sup>1</sup> This decision permits Lone Star Coaches, Inc. (Lone Star) to operate properties of Tri-City Charter of Bossier, Inc. (Tri-City Charter) on an interim basis pending determination of a related application for Lone Star to acquire Tri-City Charter.

Decided: June 9, 2017

On May 12, 2017, Lone Star Coaches, Inc. (Lone Star) requested interim approval under 49 U.S.C. § 14303(i) and the Board's regulations at 49 C.F.R. § 1182.7(b) to permit it to operate the properties of Tri-City Charter of Bossier, Inc. (Tri-City Charter) pending a decision on Lone Star's concurrently filed application in Docket No. MCF 21076 for authority to acquire Tri-City Charter.

Lone Star (MC-153014) indicates that it and Tri-City Charter (MC-370884) are each federally registered, passenger motor carriers providing charter and tour contract services in the states of Texas and Louisiana. In the main transaction in Docket No. MCF 21076, Lone Star has proposed to acquire 100% ownership and control of Tri-City Charter. Lone Star and Tri-City Charter would continue to operate as separate companies with distinct operations.

Lone Star argues that the infusion of capital would allow for modernizations of the fleets, centrally managed administrative and business functions, and the potential expansion of business services. Without the financing transaction, Lone Star argues the companies will not be able to modernize their fleets and will continue to operate less effectively and efficiently. The savings realized from streamlined operations and the consolidation of debt is intended to enhance purchasing power and to facilitate environmentally friendly strategies. Lone Star states that the transaction will strengthen the companies' financial positions and improve the safety and efficiency of their fleets.

Lone Star argues that the timing of the proposed transaction is of vital importance. According to Lone Star, so that the transaction remains on schedule for completion, the parties

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<sup>1</sup> The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

require interim approval as an indication of certainty pending ultimate disposition of the application.

Based on Lone Star's representations regarding the financing transaction, the Board finds that a grant of interim management and operational approval will meet the criteria of 49 U.S.C. § 14303(i).<sup>2</sup> Therefore, pursuant to 49 C.F.R. § 1182.7(b), the Board will grant interim approval. The Board reminds Lone Star that this interim approval is temporary and that Lone Star is responsible for ensuring that Tri-City Charter's assets are protected so that they can be returned to Tri-City Charter if the Board ultimately denies Lone Star's request for acquisition authority.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. Lone Star is authorized on an interim basis to operate the properties of Tri-City Charter under 49 U.S.C. § 14303(i) and 49 C.F.R. § 1182.7. The application for acquisition authority will be addressed in a separate decision in Docket No. MCF 21076.

2. This decision is effective on its service date.

3. A copy of this decision will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

By the Board, Board Members Begeman, Elliott, and Miller.

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<sup>2</sup> Section 14303(i) provides in relevant part as follows:

- (i) **Interim approval.**—Pending determination of an application filed under this section, the Board may approve, for a period of not more than 180 days, the operation of the properties sought to be acquired by the person proposing in the application to acquire those properties, when it appears that failure to do so may result in destruction of or injury to those properties or substantially interfere with their future usefulness in providing adequate and continuous service to the public.